

Evaluation Criteria

We have described in this section the 20 criteria that have been used to assess IR practices in this report, as well as the 3 key categories of data dissemination.

Investor Relations Practices

Presence of a formal IRP

A formal IRP is characterized by an IRO, designated IR officers, and an IR website. The office may be an independent entity or a department within another financial agency, such as the Ministry of Finance (or Treasury), or Central Bank. Most IROs maintain a separate website; however, in some cases IRO's share a website with another government agency.

IR staff identifiable and reachable through website(s)

One or more official websites must contain contact information of at least one individual identified as an IR staff member and available to receive investor questions or comments. The information should be clearly marked and easy to access. The appropriate official may be either a designated IR officer or responsible for investor communications as one of his or her core duties. General information for webmasters or staff listings of those who are not responsible for IR functions does not meet this criterion.

Central bank and government agency websites available in English

An IRO website in English is sufficient to meet this criterion. If there is not an IRO website, both the Central Bank and Ministry of Finance (or Treasury) websites must be in English. Ideally, the statistics agency website and other additional government agency websites will be published in English, but it is not a requirement to meet this criterion.

Reciprocal links to IRO, Central Bank, and Ministry of Finance websites

Key websites include the IRO, Central Bank, and Ministry of Finance (or Treasury) websites. This criterion is not met if one agency website contains links, but others do not reciprocate. Additional links to government agencies such as the debt management agency or national statistics office are recommended but not required to meet this criterion.

Investors able to register for website subscription

Investors can register on the IRO, Central Bank, or Ministry of Finance (or Treasury) website to subscribe to the website and receive relevant information such as data releases, policy information, or notices about roadshows or conference calls on a regular basis via email.

Country subscribes to SDDS

The country must subscribe to the IMF's SDDS, which was established by the IMF to guide members that have or that might seek access to international capital markets in the provision of their economic and financial data to the public. The SDDS identifies four dimensions of data dissemination: (1) data coverage, periodicity, and timeliness; (2) access by the public; (3) integrity of the disseminated data; and (4) quality of the disseminated data. For each dimension, the SDDS prescribes two to four monitorable elements—good practices that can be observed, or monitored, by the users of statistics.

Effective data transparency of key elements

Country authorities must disseminate key data related to central government operations, central government debt, and external debt in a timely manner. (See related section on data transparency for further detail.) Countries that meet this criterion score 15 or more out of a total of 42 points with respect to timeliness and periodicity criteria for these three areas of data. In addition, the effectiveness of dissemination has been evaluated on a 3-point scale, with the maximum points awarded to countries with the highest levels of data transparency(See page 19.)

Macroeconomic data presented in market-friendly format

To qualify for this criterion, data are presented in a format that can be easily manipulated in Microsoft Excel. Some data should be available in time series. Policy information is provided on one or more websites in a clear, succinct format that delivers the central points that authorities are seeking to convey. Countries must provide data and policy information on one or more websites in English.

Historic policy information available

Investors are able to locate recent retrospective policy information for various areas of data per the IMF's SDDS.

Forward-looking policy information available

Investors are able to identify the country's economic policy planning through the presentation of comprehensive economic outlook reports for the relevant period. This includes the identification of monetary and fiscal policy objectives, as well as assumptions of the economic variables relevant for the individual country. The presentation of the country's debt management strategy is encouraged but not required to meet this criterion.

Structural information available

Information on structural factors (e.g., legal, regulatory, governance frameworks) supported by the data must be available as appropriate.

Active investor contact list

Country authorities maintain a list of investors to meet this criterion. Ideally, authorities update and maintain their investor contact lists at least twice annually and the officials from one or more government agencies should distribute policy and macroeconomic information to the investor list via email at least every 2 weeks.

Web-based communication with investors

Authorities respond to investor queries or concerns via e-mail or via an HTML-based feedback mechanism. To meet this criterion, either a general mailbox, specific email address or HTML-based form must be provided on the IRO, Central Bank, or Ministry of Finance (or Treasury) websites. Responses should be received within 36 hours to fulfill this criterion.

Bilateral meetings with investors

Country authorities conduct bilateral meetings with investors on a regular basis. The meetings may be held domestically or abroad.

Non-deal roadshows

Country authorities must conduct one or more *non-deal* roadshows annually.

Investor conference calls

Country authorities conduct regular investor conference calls on key economic data and policies at least every quarter. To qualify for this criterion, the call should be led by the IRO head and senior department heads, with involvement of senior policymakers such as the Undersecretary of Finance or Deputy Governor of the Central Bank as needed.

Archives of investor presentations and/or conference call related materials available on websites

Relevant official websites must contain an archive of materials presented to investors at roadshows, conference calls, or other meetings or seminars. Materials may include conference call replay and associated documents, investor presentations, and transcripts of speeches by key policymakers.

Investor feedback reflected in policy decisions

To fulfill this criterion, senior policymakers should have taken market input into account in their policy decisions. This criterion has been assessed on the basis of survey responses by country authorities and does not account for investor perceptions of whether feedback has been reflected in policy decisions.

Senior policymakers' participation in IR activities

Participation by senior policymakers (Minister, Central Bank Governor, or one of their deputies) is necessary when appropriate. Increasing involvement of senior policymakers is particularly significant at times of diminishing market confidence. To meet this criterion senior policymakers must be involved in at least two of the following three activities: conference calls, bilateral meetings, and non-deal roadshows.

Regular self-assessment of IRP

Country authorities must conduct regular self-assessments of their IR efforts on an annual basis to identify successes and gaps. The self-assessment may be conducted through a survey distributed to the entire investor base or to a representative sample of the investor base.

Table 3 categorizes the 20 criteria as they correspond to the six best practices for IR. (The best practices are detailed in Appendix A.)

Table 3: Classification of IR Evaluation Criteria	
Best Practice	Criteria Evaluated in This Report
IRO/staff	Presence of a formal IRP
	IR staff identifiable and reachable through websites
IR website	Central Bank and government agency websites available in English
	Reciprocal links to Central Bank, Ministry of Finance, and other government agency websites
	Investors able to register for website subscription
Dissemination of macroeconomic data and policy information	Country subscribes to SDDS
	Effective data transparency of market relevant data
	Macroeconomic data presented in market-friendly format
	Historic policy information available
	Forward-looking policy information available
	Structural (legal, regulatory) information available
IR contact list	Active investor contact list ⁷
Feedback and communication channels	Web-based communication with investors
	Bilateral meetings with investors
	Non-deal roadshows
	Investor conference calls
	Investor feedback reflected in policy decisions
	Senior policymakers accessible to investors
	Archives of investor presentations and conference call materials available on websites
Regular self-assessment	Regular self-assessment of IRP

⁷ Although authorities use an investor contact list to disseminate information, usually via email, an updated investor contact list also helps authorities to arrange events, which involve the two-way flow of communication.

Data Dissemination Practices

We have assessed countries on the basis of 24 elements of data transparency. In addition to a country's subscription to the SDDS or GDDS, these elements capture six categories in the area of central government operations, eight categories in the area of central government debt, and eight categories in the external debt area. One critical area that is not covered in this report is financial sector information. Despite much progress especially by the IMF and the World Bank to assess financial sector vulnerabilities through Financial Sector Assessment Programs (FSAPs), few emerging markets have reporting systems in place that would allow regular dissemination of key financial sector indicators to the marketplace. At the same time, investors have expressed concerns with regard to cross-country comparability of data, for example, due to a lack of uniform definition of key data. Therefore, we have not attempted to capture data release in this important area.

Central government operations

Elements of timeliness and periodicity have been evaluated against the prescribed and encouraged elements set by the SDDS and IIF standards for central government operations. (SDDS and IIF standards are presented in Appendixes D and E.) Special emphasis has been placed on compliance with encouraged data provision in this area.

With the introduction of GFSM 2001, countries have gradually incorporated an accrual-based reporting system for the presentation of central government operations data. However, this methodology is significantly more time consuming, and progress has been modest. Moreover, the statistical expertise varies across countries. In our assessments, we have documented the progress toward the adoption of the GFSM 2001 standards. We also have identified countries that have adopted a formal process toward implementation.

Central government debt

Individual assessments describe the current practices for the release of central government debt data assessed against the prescribed and encouraged elements of the SDDS and IIF standards for central government debt.

In addition, we have placed special attention on data dissemination practices for government debt service projections. The IMF and IIF standards encourage quarterly reporting of interest and amortization on medium- and long-term debt for the next four quarters and then annually thereafter. Similarly, reporting of data on short-term debt falling due on a quarterly basis is encouraged.

We have identified instances in which amortization schedules are presented in a timely fashion, either as part of a particular report or in a section of the fiscal authority's website. Whenever the information is not presented in periodic publications available to the public, we have benefited from direct consultation with agencies involved in the compilation of fiscal statistics. Indeed, several countries are ready to provide the calendar of future debt payments on request.

External debt

Disclosure of external debt data can be evaluated based on the criteria established by the IMF's SDDS and IIF data standards. Most countries covered in this exercise follow the template set by the DSBB with three levels of disaggregation: (1) by institutional sector, (2) by short-term and long-term maturities on an original maturity basis, and (3) by instrument. We also have reviewed the dissemination practices for the provision of more comprehensive and timely information in areas that are not prescribed by those standards, including the availability of debt amortization schedules, the relevant breakdowns by institutional sector, and the timely availability of those schedules.

In the case of external debt amortization schedules, our assessment of dissemination practices shows that Central Banks usually prepare and release this information. However, provision of central government debt data varies considerably across countries; in some cases, analysts will search hard to locate the schedule. Also, countries rarely meet the IIF's encouraged element of providing quarterly data for at least the immediate 12-month period.

Some data categories, which are neither prescribed nor encouraged by the IMF's SDDS, are nevertheless provided on an ad hoc basis. For example, rating agencies often use external debt ratios as indicators of debt sustainability. We have identified cases in which countries disclose this information on an ad hoc basis outside of the DSBB framework.

Additional aspects explored in the individual country assessments include the identification of resident holdings of public debt issued internationally, the non-resident holdings of public debt issued domestically, and the non-resident holdings of private debt issued domestically.

Weighting of Evaluation Criteria

Investor Relations

Based on discussions with investors and members of the Working Group on Crisis Prevention, a weighting system was developed reflective of the relative importance of different criteria from an investor perspective. Each country was assigned a score based on the number of criteria it met and the weighting of those criteria. The weighted scores are summarized in Table 1. Table 4 outlines the weights allocated to each criterion with a weight of 3 indicating highest priority.

Table 4: Weighting of IR Criteria	
Weight	IR Criteria
3	IR staff identifiable and reachable through websites
	Central bank and government agency websites available in English
	Country subscribes to SDDS
	Effective data transparency of market-relevant data
	Forward-looking policy information available
	Active investor contact list
	Archives of investor presentations and conference call materials
	Investor feedback reflected in policy decisions
2	Presence of formal IRP
	Macroeconomic data presented in market-friendly format
	Historic policy information available
	Structural (legal, regulatory) information available
	Web-based communication with investors
	Senior policymakers accessible to investors
1	Reciprocal links to Central Bank, Ministry of Finance, and other government agency websites
	Investors able to register for website subscription
	Bilateral meetings with investors
	Non-deal roadshows
	Investor conference calls
	Regular self-assessment of IRP

Data Dissemination Practices

Simply adding-up of the 24 data criteria would not represent a true assessment of a country's transparency practices, in particular, as market participants attach more importance to those criteria that are not encouraged by the IMF standards. Table 5 outlines the weight allocated to each data dissemination criterion. To ensure consistency with weighting of the IR criteria, a weight of 3 is assigned to the criteria of highest priority, 2 to those of medium priority, and 1 to those of relatively lower priority.

Table 5: Weighting of Data Dissemination Criteria	
Weight	Data Dissemination Criteria
	Central Government Operations
2	Timeliness
1	Periodicity
3	Time series availability
1	Breakdown by domestic and external financing
1	GFSM 1986
3	GFSM 2001 (migration process)
	Central Government Debt
2	Timeliness
1	Periodicity
3	Time series availability
1	Breakdown by domestic and external debt
2	Contingent liabilities
1	Term breakdown by original maturity
3	Amortization schedule updated every 3 months
2	Amortization schedule includes contingent liabilities
	External Debt
2	Timeliness
1	Periodicity
3	Time series availability
1	Resident holdings of public debt issued internationally
2	Non-resident holdings of public debt issued domestically
2	Non-resident holdings of private debt issued domestically
3	Amortization schedule timely and available
2	Breakdown by sector (private and public)
	Subscription to IMF Data Standards
2	SDDS subscription
1	GDDS subscription

The resulting weighted criteria portray a more accurate picture of real transparency efforts based on a more detailed classification. Three levels of transparency were determined based on raw scores combined with the weighting spectrum. On this basis, the countries have been classified as follows:

- **Level 3. High transparency level:** The country has adopted internationally recognized standards and presents information in market-friendly formats. Methodological notes and commentaries on data updates are available. Authorities are ready to provide information through active IROs or through direct contact with the corresponding statistical office.

- **Level 2. Adequate transparency level:** The country adopts internationally recognized standards, or evidence suggests an ongoing effort to adopt them in the near future. Relevant information for investors is easy to identify in corresponding websites or bulletins.
- **Level 1. Need to improve transparency:** Relevant information for investors is not available, or adequate economic analysis cannot be done with the information available. The country is highly encouraged to adopt internationally recognized standards and disseminate relevant statistics in a timely and consistent basis.